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Bill No. IV of 1956.

NOTIFICATION.

No. LA. 4-221/56.

The following Bill together with the Statement of Objects and Reasons attached to it, is published, as ordered by the Speaker under Rule 73 of the Rules of Procedure and Conduct of Business in the Travancore-Cochin Legislative Assembly.

Legislature Secretariat
Trivandrum,
February 24, 1956.

V. KRISHNAMOORTHI,
Secretary.

THE MUNICIPAL (AMENDMENT) BILL, 1956.

A Bill further to amend the Trivandrum City Municipal Act, the Travancore District Municipalities Act, 1116 and the Cochin Municipal Act, XVIII of 1113.

Preamble. WHEREAS it is expedient further to amend the Trivandrum City Municipal Act, (IV of 1116), The Travancore District Municipalities Act, 1116 (XXIII of 1116) and the Cochin Municipal Act, XVIII of 1113 for the purposes hereinafter appearing;

Be it enacted in the Seventh Year of the Republic of India as follows :—

1. *Short title and commencement.* (1) This Act may be called the Municipal (Amendment) Act, 1956.

(2) It shall come into force on the 1st day of April 1956.

2. *Amendment of Act IV of 1116.* In the Trivandrum City Municipal Act, IV of 1116.

(i) in clause (34) of section 3, the words "or dearness or local allowances" shall be added at the end ;

(ii) in section 13, the words "not exceeding rupees five hundred per mensem in the aggregate" shall be omitted ;

(iii) for sub-section (3) of section 107, the following sub-sections and Explanation shall be substituted, namely :—

"(3) If a person proves that he has paid the sum due on account of the profession tax levied under this or any other Act for the same half year to any local authority in the State, such person shall not be liable, by reason merely of change of business, appointment, residence or place of business, to pay to any other local authority more than the difference between such sum and the amount to which he is otherwise liable for the profession tax for the half year under this or such other Act.

(4) Nothing contained in this section shall be deemed to render a person who resides within the local limits of one local authority and exercises his profession, art or calling or transacts business or holds any appointment within the limits of any other local authority or authorities, liable to profession tax for more than the higher of the amounts of the tax leviable by any of the local authorities. In such a case, the Government shall apportion the tax between the local authorities in such manner as they may deem fit and the decision of the Government shall be final.

Explanation:—For the purposes of this section "aggregate income" shall not include dearness or local allowances or allowances for house rent, carriage hire or travelling expenses"

3. *Amendment of Travancore Act XXIII of 1116.* In the ravancore District Municipalities Act, 1116 (XXIII of 1116).-

(i) in clause (29) of section 3, the words "dearness or local allowances" shall be added at the end ;

(ii) in clause (a) of sub-section (6) of Section 13, the words "not exceeding four hundred rupees per mensem in the aggregate" shall be omitted ;

(iii) in sub-section (3) of section 53, for the expression "clause (i)," the expression "clause (j)" shall be substituted ;

(iv) for sub-sections (3) and (4) of section 91 the following sub-sections and explanation shall be substituted, namely:—

" (3) If a company or person proves that it or he has paid the sum on account of the profession tax leviable under this or any other Act for the same half year to any local authority in the State, such company or person shall not be liable, by reason merely of change of place of business, exercise of profession, art or calling, appointment or residence, to pay to any other local authority, more than the difference between such sum and the amount to which it or he is otherwise liable for the profession tax for the half year under this or such other Act.

(4) Nothing contained in this section shall be deemed to render a person who resides within the local limits of one local authority and exercises his profession, art or calling, or transacts business or holds any appointment within the limits of any other local authority or authorities, liable to profession tax for more than the higher of the amounts of the tax leviable by any of the local authorities. In such a case, the Government shall apportion the tax between the local authorities in such manner as they may deem fit and the decision of the Government shall be final.

Explanation:—For the purposes of this section, "aggregate income" shall not include dearness or local allowances or allowances for house rent, carriage hire, or travelling expenses".

4. *Amendment of Cochin Act XVIII of 1113*—In the Cochin Municipal Act, XVIII of 1113—

(i) in clause (XXIX) of Section 3, the words "or dearness or local allowances" shall be added at the end ;

(ii) in clause (a) of sub-section (6) of Section 13, the words "not exceeding four hundred rupees per mensem in the aggregate", shall be omitted ;

(iii) for sub-sections (3) and (4) of Section 86 and the explanation thereto, the following sub-sections and Explanations shall be substituted, namely:—

" (3) If a company or person proves that it or he has paid the sum due on account of the tax on profession and other sources of income levied under this or any other Act, for the same half year to any local authority in the State, such company or person shall not be liable, by reason merely of change of place of business, exercise of profession, art or calling appointment or residence, to pay to any other local authority more than the difference between such sum and the amount to which it or he is otherwise liable for the tax on profession and other sources of income for the half year under this or such other Act.

(4) Nothing contained in this section shall be deemed to render a person who resides within the limits of one local authority and exercises his profession, art or calling or transacts business or holds any appointment within the limits of any other local authority or authorities liable to tax on profession and

other sources of income for more than the higher of the amounts of the tax leviable by any of the local authorities. In such a case, the Government shall apportion the tax between the local authorities in such manner as they may deem fit and the decision of the Government shall be final.

Explanation I:—The word 'person' in this section includes also the manager of a joint Hindu or Marumakkathayee family.

Explanation II:—For the purposes of this section, "aggregate income" shall not include dearness or local allowances or allowances for house rent, carriage hire or travelling expenses".

STATEMENT OF OBJECTS AND REASONS.

According to the existing provisions in the Municipal Acts, the maximum salary and allowances payable to the Commissioner of the Corporation of the City of Trivandrum and the other Municipal Commissioners is respectively rupees five hundred and four hundred per mensem. The posts of Municipal Commissioners have been constituted as cadre posts and their scales of pay are proposed to be revised. It is considered necessary to remove the statutory bar to enable Government to revise the pay scales of the Commissioners, if and when necessary.

Section 107 of the City Municipal Act, Section 91 of the District Municipalities Act and Section 86 of the Cochin Municipal Act provide for the assessment of the person or company to profession tax. Under Section 107 of the Trivandrum City Municipal Act, relief from double taxation is available only as respects persons residing in or transacting business etc., within the limits of the City or a Municipality in Travancore. The relief does not extend to a person residing in a Panchayat area or in a Municipal area in Cochin and transacting business etc. in the City and *vice versa*. This is an anomaly brought about by the existence of independent enactments authorising levy of profession tax. Similar anomaly exists also as respects persons governed by the District Municipalities Act and the Cochin Municipal Act. It is considered necessary to remove this anomaly by making suitable amendments in the relevant enactments.

The reference to clause (i) in sub-section (3) of Section 53 of the Travancore District Municipalities Act is a mistake for clause (J). It is proposed to rectify this mistake. The Bill seeks to give effect to the above proposals.

K. KOCHUKUTTAN.

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